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FOR IMMEDIATE RELEASE

PINNACLE LAW GROUP LLP FILES CLASS ACTION ON BEHALF OF STUDENTS AGAINST KEYBANK FOR PREDATORY LENDING PRACTICES IN CONNECTION WITH FAILED VOCATIONAL SCHOOL, SILVER STATE HELICOPTERS

Complaint Alleges KeyBank USA, N.A. Violated California's Unfair Competition Laws

SAN FRANCISCO, California (May 12, 2008): Pinnacle Law Group, LLP filed today in the California Superior Court (Alameda County) the first class action lawsuit in the country on behalf of former students of the defunct Silver State Helicopters vocational school ("Silver State"). The lawsuit against KeyBank USA, N.A. and its affiliated entities ("KeyBank") seeks to prohibit KeyBank from enforcing loans it made to California students who enrolled in Silver State, financed their tuition through KeyBank but had not completed their education when the school shut its doors without warning on Super Bowl Sunday and filed for bankruptcy the next day. A copy of the lawsuit can be obtained at www.pinnaclelawgroup.com.

Recent congressional and journalistic investigations have uncovered a proliferation of unlicensed and unaccredited trade schools that do not participate in the federal student aid programs and therefore are largely unregulated. Their growth has been fueled by unscrupulous lenders that have willingly and irresponsibly "partnered" with these sham operations to provide expensive private loans to the high-risk students these schools tend to attract. The lenders turn around and, like subprime mortgage lenders, securitize the loans, shifting the risk of the loans onto unsuspecting investors. When the schools fail, the students' career dreams are dashed and they are left holding the bag on tens of thousands of dollars in student loan obligations.

KeyBank has been a major player in these schemes that have ensnared California students in the past several years. In the case of Silver State, KeyBank partnered with the school as the latter's "preferred" lender and followed its usual script. As with KeyBank's previous failed vocation school "partners," Silver State was unregulated and unaccredited and, when its ponzi scheme collapsed, it filed bankruptcy leaving its students facing KeyBank's threat to enforce the loans.

"In order to avoid the protections California law affords its residents, KeyBank inserted a number of legally repugnant provisions purporting to mandate that any legal action against the bank be brought in Ohio and under Ohio law, which is notoriously anti-consumer and pro-banking", said Andrew August, lead attorney for the students.

The suit, brought under California's consumer protection law, alleges that KeyBank engaged in a pattern and practice of intentionally omitting from its loan documents a notice required by the

Federal Trade Commission's consumer protection regulations. The notice, known as the "FTC Holder Rule," expressly provides in this context that it is an unfair and deceptive act or practice to enter into consumer credit contracts (such as student loan agreements) without including very specific language that the borrower (*i.e.*, the students) has the same claims and defenses against the lender they have against the school. The lawsuit alleges KeyBank intentionally omitted the notice – and required Silver State to omit it from its contracts – so it could argue in court that it is not contractually bound by the FTC Holder Rule. The lawsuit seeks to end this unfair and deceptive practice in California.

The individual plaintiffs representing the proposed class are Bruce Fuller and Matt Kilgore, two former Silver State students from its Oakland Flight Academy, each of whom borrowed in excess of \$55,000 from KeyBank but did not complete their training when Silver State shut its doors and filed bankruptcy.

ABOUT PINNACLE LAW GROUP LLP: Pinnacle Law Group was established in 1990 and is a business, real estate and complex civil litigation law firm. Pinnacle Law Group provides services to clients ranging from individuals to fortune 500 companies and government entities.